



BRINGING THE EFFECTS OF OCCUPATIONAL LICENSING INTO FOCUS Optician Licensing in the United States

The scope and scale of occupational licensing in the United States continues to grow. The optician profession provides a typical example: 21 states currently require opticians to be licensed, each according to different rules. Although advocates of licensing suggest that it is important for public safety, licensing legislation mainly tends to benefit practitioners by reducing competition.

In a [new study](#) for the Mercatus Center at George Mason University, scholars Anna Mills and Edward J. Timmons examine differences in licensing requirements state-to-state and over time to explore the effect that optician licensing has on practitioner earnings.

The study finds that stricter optician licensing laws and laws that have been in place for longer periods of time result in higher optician earnings. On the other hand, there is little evidence that licensing has affected vision insurance or optician malpractice insurance premiums. Optician licensing increases optician earnings with no measurable benefit to consumers.

KEY HIGHLIGHTS

Study Design

This is the first study to estimate the effects of occupational licensing on optician earnings. The study pooled a cross section from 1940 to 2012 to estimate the effects of licensing on an occupation that has been licensed in some states since the early 20th century. Few studies have attempted to capture the effect of licensing on quality. This study uses insurance policy premiums to proxy for quality.

Higher Earnings for Opticians

Difference-in-difference estimates of the licensure earnings premium accruing to opticians suggest that licensed opticians receive 0.3–0.5 percent in extra income multiplied by the number of years the relevant licensing statute has been in effect. The results also suggest that opticians earn

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approximately 3 percent more per exam required for licensing and 2–3 percent more for every 100 hours of education and experience required.

- Opticians working in Texas (a state that enacted certification but not licensing) did not benefit from a similar increase in earnings. In fact, opticians in Texas generally do not obtain a certification.
- Opticians working in New York and Rhode Island earned more after the states stiffened licensing requirements.
- Opticians working in Alaska earned less after licensing requirements were relaxed.

No Observable Increase in Quality for Consumers

Comparing vision insurance and optician malpractice insurance rates across licensed and unlicensed states shows little evidence that optician licensing has improved the quality of optician services delivered to consumers.

CONCLUSION

The unemployment level remains elevated in the United States, but occupational licensing restricts entry into numerous professions. Many licensing laws do not clearly increase public safety and ought to be reexamined by policymakers. Optician licensing is one good candidate. Optician licensing laws potentially raise the cost of vision care without showing any observable change in quality. They restrict competition and increase salaries for opticians, but provide no measurable benefit to consumers.